

ARTICLE I
SCOPE, TERM, MAXIMUM FINANCIAL OBLIGATION

A. SCOPE OF CONTRACT

This is a Type I Contract (contract with other public agencies) between the County of Santa Clara (COUNTY) and City of Milpitas (CONTRACTOR) for the purpose of providing m for senior citizens, funded by the following source: authorized by the Older Americans A 1965, as amended, P.L. 89-73; U.S.C Section 3000 et seq., and all amendments, rules regulations pertaining thereto.

This contract consists of the following Articles and Attachments:

- Article I: Scope, Term, Maximum Financial Obligation
- Article II: Contractor Responsibilities
- Article III: General Covenants, Conditions & Restrictions
- Article IV: Statutes, Regulations and Policies
- Article V: Insurance Requirements
- Article VI: Audits, Evaluation and Termination
- Article VII: Allowable and Unallowable Costs
- Article VIII: Contracting Principles

- Attachment A: Fiscal Accountability / Requirements
- Attachment B: Program Plan and Requirements
- Attachment C: Budget Summary

B. TERM OF CONTRACT

The term begins on July 01, 2003 and expires on June 30, 2004 unless terminated earlier or otherwise amended.

C. MAXIMUM FINANCIAL OBLIGATION

COUNTY will reimburse CONTRACTOR actual allowable expenditures subject to the provisions of this Contract, not to exceed One Hundred Twenty-Five Thousand Eight Hundred Thirty-Eight Dollars (\$125,838) (See Article VI, Attachment A, "Fiscal Accountability" and Attachment C, "Budget Summary").

IN WITNESS WHEREOF, COUNTY and CONTRACTOR hereby agree to the terms of this contract.

COUNTY OF SANTA CLARA

By: _____
Will Lightbourne, Agency Director
Social Services Agency

Date: _____

APPROVED AS TO FORM AND LEGALITY:

Sylvia F. Kennedy
Deputy County Counsel

Date: _____

CONTRACTOR

Name of Agency: City of Milpitas

Name of Program: Senior Nutrition Program

Signature: _____

Print Name: _____

Title: _____

Date: _____

ARTICLE II CONTRACTOR RESPONSIBILITIES

CONTRACTOR must:

1. Comply with all contract provisions and attachments herein and all applicable statutes, regulations and policies;
2. Provide meals and services to eligible individuals as described in Attachment B, Program Description and Requirements. If CONTRACTOR is unable to provide services required hereunder, CONTRACTOR will promptly notify the COUNTY in accordance with Article II, Section J, Notices.
3. Keep the County Social Services Agency informed of services and activities performed under this Contract as described in Attachment A, Section B and accept appropriately referred clients from Social Services Agency for contract services as part of CONTRACTOR's client base.
4. Coordinate services with other organizations providing similar services in order to foster community cooperation and avoid unnecessary duplication of services.
5. Seek out and apply for other sources of revenue in support of the Senior Nutrition Program.
6. Ensure that its facilities will meet state and local health and safety laws and regulations. CONTRACTOR agrees that conditions of its facilities must be hazard-free, have sufficient lighting and ventilation, be free of excessive noise, and be handicap-accessible. CONTRACTOR also agrees to develop an emergency plan, evacuation procedures, and to make this information available to its participants and staff.

ARTICLE III GENERAL COVENANTS, CONDITIONS AND RESTRICTIONS

A. Conditional Extensions

The Director of Social Services, or designee, is authorized to negotiate, execute, and amend the scope of services, the term, new or revised contracting requirements, maximum financial obligation and budget of this Contract through June 30, 2004 as necessary to ensure a continuity of services, based upon the following conditions:

1. COUNTY has appropriated sufficient funds for the extension of this contract at the specified funding level,
2. CONTRACTOR is meeting the performance requirements for this contract,

3. Amendment will be in writing and signed by all parties, and County Counsel has reviewed and approved the amendment as to form and legality.
4. If the annualized level of funding for the extension period of this contract differs from the previous annualized level of funding, the Director's written notice:
 - (a) Will state that the units of service to be provided by CONTRACTOR, the description of services to be provided by CONTRACTOR, and that CONTRACTOR'S budget has been adjusted accordingly; and
 - (b) Specifies the nature of such adjustments.

B. Availability and Substitution of Funds

1. Payment for all services provided under this Contract is contingent upon the availability of appropriated or allocated COUNTY, State and Federal funds. Notwithstanding other provisions herein, this Contract is valid and enforceable only if sufficient funds are available. In the event of reduction, suspension, discontinuance or other unavailability of funds, COUNTY unilaterally may take appropriate actions including, but not limited to, reducing existing service authorization, immediately terminating the contract, or reducing the maximum dollar amount of this contract.
2. The COUNTY may substitute State or federal funds for funds appropriated by the Board of Supervisors for payment to be made pursuant to this Contract. CONTRACTOR will then be bound by the requirements of any State or federal grant contract, statute, regulation, guideline or directive associated with the funds.
3. In the event of reduction, suspension, or discontinuance of funds, COUNTY will pay all costs incurred by CONTRACTOR under this contract up until the effective date of the action. Federal funds received under this contract will not be used to match other federal funds. Federal funds made available under this contract will not be used to supplant funds from non-federal sources.

C. Subcontracting

CONTRACTOR may not enter into subcontracts for any of the work contemplated under this contract without first obtaining written approval from COUNTY. For the purpose of this contract, subcontracts include, but are not limited to, purchase contracts, lease or rental contracts (excluding real property contract), and third party contracts. Consultant services subcontracts, construction subcontracts, and cost-plus-a-percentage of cost subcontracts are prohibited. Subcontracts are subject to the same provisions for providing service as the

Contract between COUNTY and CONTRACTOR. CONTRACTOR must monitor, evaluate and account for the subcontractor services and operations. Subcontracts entered into in violation of this provision will be void.

D. Assignment

Any assignment of this contract or work to be performed under this contract by CONTRACTOR is void without COUNTY's prior written consent.

E. Independent Contractor Status

CONTRACTOR will perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of COUNTY. None of the provisions of this Contract are intended to create, nor will be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for purpose of effecting the provisions of this Contract. The parties are not, and will not be construed to be in a relationship of joint venture, partnership or employer-employee. Neither party has the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party or as is explicitly provided herein. CONTRACTOR will be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors, if any.

F. Conflict of Interest

1. CONTRACTOR will make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, or subcontractors.
2. In the event that a conflict of interest exists, costs may be disallowed and such conflict may constitute grounds for terminating this contract.
3. No employee of CONTRACTOR nor any member of any employee's immediate family will serve on an outside review or advisory board or committee or hold any similar position which either by rule, practice or action nominates, recommends, or supervises CONTRACTOR's operations under this contract, or authorizes funding to CONTRACTOR.

G. County Representative

Except as may be specified otherwise in this contract, the Director of the Social Services Agency of the County of Santa Clara or her designated representative will represent COUNTY in all matters under this contract, including the giving of any notices required hereunder.

H. Contractor Representative

CONTRACTOR agrees that, unless otherwise indicated in writing, the following person has primary authority and responsibility required to carry out this contract.

City Manager,
City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035-5479

I. Notices

All notices prescribed by this contract must be in writing and are deemed effective if sent by certified or registered mail and properly deposited with the United States Postal Service, postage prepaid with return receipt requested and addressed:

1. To County:

Senior Nutrition Program Manager
Social Services Agency
1670A Las Plumas Avenue
San Jose, CA 95133-1600

2. To Contractor:

City Manager,
City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035-5479

J. Severability

If any provision of this contract is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this contract.

K. Waiver

The waiver of any breach of the terms hereof, or of any default hereunder, will not be deemed a waiver of any subsequent breach or default, whether of the same or similar nature, and will not affect the other terms hereof. No waiver or modification is valid or binding unless in

writing and signed by both parties.

L. Captions

The section headings appearing herein will not be deemed to govern, limit, modify or in any way affect the scope, meaning or intent of these conditions.

M. Totality of Contract

This contract, including the exhibits attached hereto, contains all the terms and conditions agreed upon by the parties. No other understanding, oral or written, regarding the subject matter of this contract exists or will be deemed to bind the parties hereto. This contract supersedes any prior contract or prior amendment between the parties for services herein.

N. Amendment of Contract

This contract may be amended only by a written instrument signed by both of the parties hereto. The Director of Social Services, is authorized, on behalf of the County of Santa Clara, to execute subsequent amendments of this contract for senior nutrition services, subject to review and approval by County Counsel.

**ARTICLE IV
STATUTES, REGULATIONS and POLICIES**

A. Compliance with Statutes and Regulations

CONTRACTOR warrants and certifies that in the performance of the contract, it will comply with all applicable statutes, rules, regulations and orders of the United States and the State of California including laws and regulations pertaining to labor, wages, hours, and other conditions of employment.

CONTRACTOR further warrants and certifies that it will comply with new, amended, or revised laws, regulations or procedures that apply to the performance of this contract.

Examples of applicable statutes, rules, regulations, and policies include but are not limited to the following:

1. The provisions in Office of Management and Budget (OMB) Circular A-102, Uniform Administration Requirements for Grants-In-Aid to State and Local Governments and applicable appendices thereto.
2. The provisions in Office of Management and Budget (OMB) Circular A-122, Cost

Principles for Nonprofit Organizations.

3. The Code of Federal Regulations and the Federal Register provisions applicable to the Older Americans Act of 1965, as amended.
4. The provisions of the Annual Area Plan for Progress Toward a Comprehensive, Coordinated Service System for Older Persons, submitted by the Council on Aging to the Department of Aging, State of California.
5. Government wide requirements for a Drug-Free Workplace.
6. Americans with Disabilities Act of 1990, 42 USCA. Sec. 12102 et seq., and the California Fair Employment and Housing Act, Government Code 12900 et seq.
7. Policies and procedures contained in the Senior Nutrition Program Handbook.

B. Statutes Governing Contract

This contract is governed and construed in accordance with the statutes of the State of California.

C. Nondiscrimination in Employment

1. During the performance of this Contract, CONTRACTOR and its SUBCONTRACTORS must not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of:
 - a. Age (40 and above),
 - b. Ancestry,
 - c. Color,
 - d. Disability (Mental and Physical) including HIV and AIDS,
 - e. Ethnic Group Identification,
 - f. Family and Medical Care Leave,
 - g. Marital Status,
 - h. Medical Condition (cancer/genetic characteristics),
 - i. National Origin,
 - j. Pregnancy Disability Leave,
 - k. Political Belief,
 - l. Race,
 - m. Reasonable Accommodation,
 - n. Religious Creed,
 - o. Sex/Gender, or
 - p. Sexual Orientation.
2. CONTRACTOR ensures that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

3. CONTRACTOR is in compliance and will continue to comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulation promulgated hereunder (California Code Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a) - (f), are incorporated into this Contract by reference and made a part hereof as if set forth in full (California code Regulations, Title 2, Section 7285.0 et seq.).
4. CONTRACTOR and its Subcontractors will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
5. CONTRACTOR must include the non-discrimination and compliance provisions of this clause in all Subcontracts to perform work under this Contract.

D. Nondiscrimination of Services

1. CONTRACTOR ensures that services provided under this Contract are nondiscriminatory, and that no person is denied services or subjected to discrimination under any program or activity because of:
 - a. Age (40 and above),
 - a. Ancestry,
 - b. Color,
 - c. Disability (Mental and Physical) including HIV and AIDS,
 - d. Ethnic Group Identification,
 - e. Marital Status,
 - f. Medical Condition (cancer/genetic characteristics),
 - g. National Origin,
 - h. Political Belief,
 - i. Race,
 - j. Reasonable Accommodation,
 - k. Religious Creed,
 - l. Sex/Gender, or
 - m. Sexual Orientation.
2. Notwithstanding other provisions herein regarding nondiscrimination, it is understood and agreed that pursuant to the requirements of The Older Americans Act of 1965, CONTRACTOR will provide services described hereunder for the benefit of eligible older individuals as specified in Attachment B, "Program Plan and Requirements."
3. CONTRACTOR ensures that it's appropriate personnel involved in providing services are educated regarding AIDS and HIV infection.

E. Confidentiality

CONTRACTOR will require its employees, subcontractors and all other persons performing at

its direction to comply with Welfare and Institutions Code Sections 10850, et seq., and SDSS Manual of Policies and Procedures, Division 19 Regulations, regarding confidentiality of records and information.

The foregoing sections provide that:

1. All applications and records concerning any individual made or kept by any public officer or agency in connection with the administration of any provision of the Welfare and Institutions Code relating to any form of public services for which grants-in-aid are received by the State of California from the United States government are confidential, and are not open to examination for any purpose not directly connected with the administration, performance compliance, monitoring or auditing of such public social services.
2. No person will publish, disclose or use or permit or cause to be published or disclosed any confidential information pertaining to services, except as is provided by law.
3. Upon the disclosure of confidential information, inadvertent or otherwise, the COUNTY may terminate this contract immediately and take legal action against CONTRACTOR. Any person who knowingly and intentionally violates the provision stated above is guilty of a misdemeanor and the COUNTY intends to prosecute such violators to the full extent of the law.
4. CONTRACTOR will inform all employees, agents, officers and all other persons performing services at its direction of the above provisions.
5. These provisions survive the termination of this Contract.

F. Grievance Procedure

CONTRACTOR will establish procedures assuring that any person's complaints and grievances against CONTRACTOR regarding the delivery of services under this contract are promptly addressed and fairly resolved.

G. Permits and Licenses

CONTRACTOR will obtain all permits and licenses necessary to the performance of this contract and will assure that its subcontractors obtain the same. The CONTRACTOR will pay all normal fees for permits, licenses, inspections or any other certification or service required in the performance of this contract.

H. Political Activity and Lobbying Prohibited

None of the funds, materials, property or services provided directly or indirectly under this contract may be used for any partisan political activity, or to further the election or defeat of any candidate for public office.

I. Press Releases

In all publications or written materials distributed to the general community, the CONTRACTOR will make specific reference to the COUNTY and the Council on Aging of Santa Clara County, Inc., as the sponsoring agencies of the program.

**ARTICLE V
INSURANCE REQUIREMENTS FOR STANDARD SERVICE CONTRACTS
ABOVE \$100,000**

INDEMNIFICATION FOR CONTRACTS BETWEEN PUBLIC ENTITIES

In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the Parties pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by a party will not be shared pro rata but instead the COUNTY and the CITY OF MILPITAS agree that pursuant to Government Code Section 895.4, each of the parties hereto will fully indemnify and hold each of the other parties, their officers, board members, employees and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying party, its officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such party under this Contract. No party, nor any officer, board member, employee or agent thereof will be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of other parties hereto, their officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such other parties under this Contract.

INSURANCE

Without limiting the Contractor's indemnification of the COUNTY, the CONTRACTOR will provide and maintain a program of self -insurance, during the term of this Contract, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of this Contract, the CONTRACTOR will provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier will accompany the certificate. In addition, a certified copy of the policy or policies will be provided by the Contractor upon request.

This verification of coverage will be sent to the requesting COUNTY department, unless otherwise directed. The CONTRACTOR will not receive a Notice to Proceed with the work under the Contract until it has obtained all insurance required and such insurance has been approved by the COUNTY. This approval of insurance will neither relieve nor decrease the liability of the CONTRACTOR.

B. Qualifying Insurers

All coverages, except surety, be issued by companies which hold a current policy holders alphabetic and financial size category rating of not less than A V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the COUNTY's Insurance Manager.

C. Notice of Cancellation

All coverage as required herein will not be canceled or changed so as to no longer meet the specified COUNTY insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the County of Santa Clara or their designated agent.

D. Insurance Required

1. Commercial General Liability Insurance - for bodily injury (including death) and property damage which provides limits as follows:

a. Each occurrence	\$1,000,000
b. General aggregate	\$2,000,000
c. Products/Completed Operations aggregate	\$2,000,000
d. Personal Injury	\$1,000,000

2. General liability coverage will include:

- a. Premises and Operations
- b. Products/Completed
- c. Personal Injury liability
- d. Severability of Interest

3. General liability coverage will include the following endorsement, a copy of which will be provided to the COUNTY:

Additional Insured Endorsement which will read:

" County of Santa Clara, and members of the Board of Supervisors of the County of Santa Clara, and the officers, agents, and employees of the County of Santa Clara, individually and collectively, as additional insureds."

Insurance afforded by the additional insured endorsement will apply as primary insurance, and other insurance maintained by the County of Santa Clara, its officers , agents, and employees will be excess only and not contributing with insurance provided under this policy. Public Entities may also be added to the additional insured endorsement as applicable and the contractor will be notified by the contracting department of these requirements.

4. Automobile Liability Insurance

For bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned and hired vehicles.

5. Workers' Compensation and Employer's Liability Insurance

- a. Statutory California Workers' Compensation coverage including broad form all-states coverage.
- b. Employer's Liability coverage for not less than one million dollars (\$1,000,000) per occurrence.

E. Special Provisions

The following provisions will apply to this Contract:

- 1. The foregoing requirements as to the types and limits of insurance coverage

to be maintained by the CONTRACTOR and any approval of said insurance by the COUNTY or its insurance consultant(s) are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by the CONTRACTOR pursuant to this Contract, including but not limited to the provisions concerning indemnification.

2. The COUNTY acknowledges that some insurance requirements contained in this Contract may be fulfilled by self-insurance on the part of the CONTRACTOR. However, this will not in any way limit liabilities assumed by the CONTRACTOR under this Contract. Any self-insurance will be approved in writing by the COUNTY upon satisfactory evidence of financial capacity. CONTRACTOR's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs of self-insurance retentions.
3. Should any of the work under this Contract be sublet, the CONTRACTOR will require each of its subcontractors of any tier to carry the aforementioned coverages, or CONTRACTOR may insure subcontractors under its own policies.
4. The COUNTY reserves the right to withhold payments to the CONTRACTOR in the event of material noncompliance with the insurance requirements outlined above.

F. Fidelity Bonds (Required only if contractor will be receiving advanced funds or payments)

Before receiving compensation under this Contract, CONTRACTOR will furnish COUNTY with evidence that all officials, employees, and agents handling or having access to funds received or disbursed under this Contract, or authorized to sign or countersign checks, are covered by a BLANKET FIDELITY BOND in an amount of AT LEAST fifteen percent (15%) of the maximum financial obligation of the COUNTY cited herein. If such bond is canceled or reduced, CONTRACTOR will notify COUNTY immediately, and COUNTY may withhold further payment to CONTRACTOR until proper coverage has been obtained. Failure to give such notice may be cause for termination of this Contract, at the option of the COUNTY.

ARTICLE VI
AUDITS , EVALUATION, AND TERMINATION

A. Inspection and Audit

1. All records, books, reports and documentation maintained by CONTRACTOR pursuant to this contract or related to the CONTRACTOR's activities and expenditures under this contract will be open for inspection and audit by State and County officials or their agents upon demand at reasonable times. Such records must be kept in the State of California for the retention period specified in this contract. This provision survives the termination of this contract.
2. CONTRACTOR must submit to COUNTY a complete audited financial statement conducted by an independent, certified public accountant, no later than one hundred eighty (180) days after the end of the last month of the contract term, indicating that reported costs are actual, reasonable, necessary, allowable, and computed in accordance with generally accepted accounting principles and provisions stipulated in this contract. The audited financial statement will separately identify reported costs attributed to this Contract. The audited financial statement will certify that services that were provided coincide with the reported costs. In addition, the CONTRACTOR will submit any management letters or management advisory letters that apply to the CONTRACTOR's agency audit.
3. The cost of the audit is an allowable contract cost. The CONTRACTOR is responsible for ensuring that the appropriate portion of audit costs are included within the CONTRACTOR's line item budget.
4. COUNTY may elect to accept an audited financial statement in accordance with generally accepted accounting procedures conducted to meet compliance requirements of other funding entities in the event all provisions are met in item A.2. above.
5. CONTRACTOR will provide Federal, State or County officials or their agents reasonable access, through representatives of CONTRACTOR, to facilities, records, clients and employees that are used in conjunction with the provision of contract services, except where prohibited by federal or state laws, regulations or rules.

B. Records, Reports and Documentation

1. CONTRACTOR must maintain complete and accurate records of its operation, including any and all records required by COUNTY relating to matters covered by this contract, including, but not limited to, financial records, supporting documents, client statistical records, personnel and all other pertinent records. COUNTY may receive copies of any

and all such records upon request.

2. CONTRACTOR must submit to COUNTY a monthly cost reimbursement claim on forms approved by the County Social Services Agency, as outlined in Attachment A.
3. CONTRACTOR must assist COUNTY in meeting COUNTY's reporting requirements to the State and other agencies with respect to CONTRACTOR's work hereunder. This cooperation includes assisting COUNTY prepare evaluations required by the state or federal governments regarding services provided by CONTRACTOR under this contract. CONTRACTOR must submit to COUNTY any and all reports that may be required by COUNTY concerning CONTRACTOR's performance under this contract.
4. Upon COUNTY's request, CONTRACTOR will provide COUNTY evidence of CONTRACTOR's capacity to perform under this contract, its compliance with applicable statutes and regulations, and its compliance with the terms and conditions of this contract.
5. All records, books, reports and documentation must be retained in the State of California by CONTRACTOR for four (4) years after termination of this contract; or until all federal, state and county audits are completed; or until all disputes, litigation, or claims are resolved; whichever is later. All such records, books, reports and documentation will be transmitted to the County of Santa Clara, Social Services Agency in the event that CONTRACTOR goes out of business during the period in which records are required to be maintained. This provision survives the termination of this contract.
6. CONTRACTOR must advise the COUNTY within 30 calendar days of the following: 1) the issuance of any legal complaint by an enforcement agency, or any enforcement proceedings by any Federal, State or local agency for alleged violations of Federal, State or local rules, regulations or laws, and/or 2) the issuance of citations, court findings or administrative findings for violations of applicable Federal, state or local rules, regulations or laws. This provision will survive the termination of this Contract.
7. CONTRACTOR must within 30 calendar days advise the COUNTY of any suspensions or debarments from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the Federal General Services Administration.

C. Responsibility for Audit Exceptions

CONTRACTOR accepts responsibility for receiving, replying to, and complying with any audit exceptions by appropriate federal, State, or County, audit agencies.

D. Monitoring and Evaluation

1. COUNTY's Social Services Agency will monitor the work performed and financial operations under this Contract to determine whether CONTRACTOR'S operation conforms to County policy, state and federal statutes and regulations, and to the terms of this Contract.
2. COUNTY may conduct participant interviews to determine program compliance.
3. CONTRACTOR agrees to participate in and cooperate with any and all studies and surveys COUNTY deems necessary to meet its monitoring and evaluation responsibility.
4. CONTRACTOR must furnish all data, statements, records, information, and reports necessary for COUNTY to monitor, review, and evaluate the performance of the program and its components.
5. If, in the course of monitoring and evaluation, COUNTY discovers any practice, procedure or policy of CONTRACTOR that deviates from the terms of this Contract, that violates State or federal statutes or regulations, that threatens the success of the program carried on pursuant to this Contract, or that jeopardizes the fiscal integrity of said program, COUNTY may impose reasonable funding restrictions upon notice specifying the nature of the restriction(s), reasons for imposition, the corrective action that must be taken before they will be removed, time allowed for completing corrective action, and method of requesting reconsideration.
6. CONTRACTOR must respond in writing to any discrepancies, violations, or deficiencies identified by COUNTY within ten (10) working days.

E. Corrective Action Procedure

1. Upon receipt by the COUNTY of information regarding a failure by CONTRACTOR to comply with any provision of this contract, COUNTY has the right to forward to CONTRACTOR a notice of COUNTY's intention to consider corrective action to enforce compliance with such provision. Such notice will indicate the nature of the issue or issues that are to be reviewed in determining the need for corrective action. CONTRACTOR may have the opportunity to respond or participate in formulating the corrective action recommendation. COUNTY has the right to require the presence of CONTRACTOR's officer(s) or employee(s) at any hearing or meeting called for the purpose of considering corrective action.
2. After issuing such notice and after considering CONTRACTOR's response, if any, COUNTY may forward to CONTRACTOR specific corrective action recommended and timetable for implementing the specified corrective action. Following implementation of the corrective actions, CONTRACTOR will forward to COUNTY, within the time specified by COUNTY, any verification required by COUNTY regarding the corrective actions.
3. In the event CONTRACTOR does not implement corrective action recommended in

accordance with the corrective action timetable, COUNTY may suspend payments hereunder or immediately terminate this contract without further notice to CONTRACTOR.

F. TERMINATION

1. Termination for Convenience

The COUNTY may terminate this contract by notifying the CONTRACTOR in writing 30 days prior to the effective date of termination. CONTRACTOR may terminate this contract by notifying COUNTY in writing 60 days prior to effective date of termination. In the case of such early termination COUNTY will pay CONTRACTOR for services performed up until the effective date of termination as specified in the notice.

2. Termination for Cause

COUNTY may, at any time, elect to suspend or terminate this Contract or withhold payments to CONTRACTOR, in whole or in part, for cause, by giving written notice specifying the effective date and scope of such termination. Cause includes, but is not limited to the following:

- a. CONTRACTOR failure to comply with any contract provision;
- b. CONTRACTOR fails to meet the performance criteria of this Contract;
- c. COUNTY deems CONTRACTOR's performance unsatisfactory.
- d. Litigation is pending with respect to the CONTRACTOR's performance under this Contract that may jeopardize or adversely affect services;
- e. CONTRACTOR is the subject of a voluntary or involuntary proceeding under the Bankruptcy Act;
- f. CONTRACTOR submits to COUNTY any reports that are incorrect or incomplete in any material respect, or fails to file timely reports; or,
- g. CONTRACTOR is suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration.

3. Terminations

In the event of any termination, all finished or unfinished documents, data, studies, reports, and materials (Materials) prepared by the CONTRACTOR under this Contract

will become the property of the COUNTY and will be promptly delivered to the COUNTY. Upon termination, the CONTRACTOR may make and retain a copy of such Materials. CONTRACTOR may be compensated on the completion of services provided, as solely and reasonably determined by COUNTY.

G. Non-exclusive Remedies

The remedies listed in this section are non-exclusive, and COUNTY will retain all other rights and remedies it may have under general law, including the right to terminate the contract immediately without advance notice if CONTRACTOR becomes unable, legally or financially, to perform its obligations under this contract.

ARTICLE VII
ALLOWABLE AND UNALLOWABLE COSTS

A. To be eligible for payment under this contract, costs must be made in compliance with Office of Management and Budget Circular (OMB) A-122 and any revisions thereof, and with the principles set forth below:

1. Be necessary and reasonable for the proper and efficient performance of this contract and in accordance with the approved budget.
2. Conform to the limitations within these General Conditions and to any governing statutes, regulations and ordinances.
3. Be fully documented and determined in accordance with approved accounting procedures.
4. Not be included as a cost or used to meet cost sharing or matching requirements of any other funding source in either the current or a prior period.
5. Be the net of all applicable credits such as purchase discounts, rebates, sales or other income or refunds.

B. Advancements or reimbursements for expenditures that are determined by COUNTY to be unallowable as a result of an audit must be immediately returned to COUNTY.

C. Food Costs. Only costs for food to meet the menu requirements will be allowed.

ARTICLE VIII
CONTRACTING PRINCIPLES

This contract is a Type I service contract, subject to the Resolution of Contracting Principles adopted by the Board of Supervisors on October 28, 1997. Accordingly, Contractor must comply with all of the following:

1. Contractor will, during the term of this contract, comply with all applicable federal, state, and local rules, regulations, and laws.
2. Contractor will maintain financial records adequate to show that County funds paid under the contract were used for purposes consistent with the terms of the contract. These records are to be maintained during the term of this contract and for a period of four (4) years from termination of this contract or until all claims, if any, have been resolved, whichever period is longer if otherwise required under other provisions of this contract.

The failure of Contractor to comply with this Article or any portion thereof may be considered a material breach of this contract and may, at the option of the County, constitute grounds for the termination and/or non-renewal of the contract. Contractor will be provided reasonable notice of any intended termination or non-renewal on the grounds of noncompliance with this Article, and the opportunity to respond and discuss the County's intended action.

\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\

ATTACHMENT A
FISCAL ACCOUNTABILITY / REQUIREMENTS

A. Compensation to Contractor

This is a Cost Reimbursement Contract. CONTRACTOR will be reimbursed by COUNTY for fifty percent (50%) of the actual, reasonable, necessary, and allowable costs of this contract and less fifty percent (50%) of the participant contributions received by CONTRACTOR during the performance of this contract up to the maximum allowable amount as stated on page one (1) of this Contract and in accordance with Attachment B – Program Plan and Requirements. These costs will also be in accordance with OMB Circular A-122 (Cost Principles for Non-Profit Organizations) and with all other requirements of this contract. COUNTY may make adjustments to current billings as a result of audits performed pursuant to Article V, Section A.

1. If CONTRACTOR provides any tasks, deliverables, goods, services or other work, other than that specified in this Contract, the same will be deemed to be a gratuitous effort on the part of the CONTRACTOR, and the CONTRACTOR will have no claim whatsoever against the COUNTY.

B. Billing by Contractor

CONTRACTOR must submit to COUNTY a cost reimbursement claim in a form approved by COUNTY, by the twelfth (12th) working day of each month for the month just preceding in which meals were provided.

CONTRACTOR will pay and maintain all invoices, all time cards of employees, and all petty cash vouchers relating to the performance of its duties and responsibilities under this contract.

1. Prior to submittal, cost reimbursement claims must be certified and signed by a responsible officer of CONTRACTOR with authority to certify that the information by CONTRACTOR is accurate and CONTRACTOR is entitled to payment under the terms of the contract. COUNTY may rely on said certification in making payment, but this payment will constitute a waiver of any of CONTRACTOR's legal rights or objections.
2. If the cost reimbursement claim is in proper form and the items billed are payable under this contract, COUNTY will make payment to CONTRACTOR within twenty-one (21) working days after the receipt of the cost reimbursement claim.
3. COUNTY will not be required to make payment if the amount claimed is not in accordance with the provisions of this contract. All payments under this contract will be made directly to CONTRACTOR as a corporate entity. Under no circumstances will

COUNTY be required to make payments in any amount pursuant to this contract to any other parties, including individual employees, subcontractors or creditors of CONTRACTOR.

4. COUNTY is not obligated to reimburse CONTRACTOR for any expenditure not reported to COUNTY within sixty (60) calendar days of contract expiration.
5. CONTRACTOR must participate in a closeout period at the end of the COUNTY funding period. During the closeout period all funds awarded to CONTRACTOR must be reconciled to the costs incurred and to the remaining cash, if any. This provision survives the termination of this contract.

C. Disallowed Costs

CONTRACTOR is liable for any funds expended that are not in accordance with this contract, including, but not limited to, disallowed costs, violation, or default of this contract. CONTRACTOR will repay COUNTY disallowed costs, violation or default amounts within ninety (90) days of discovery of these costs. This provision survives the termination of this contract.

D. Participant Contributions

1. Contractor will submit participant contributions on a monthly basis to be included in the monthly expense claims. CONTRACTOR will retain fifty percent (50%) of participant contributions. The remaining fifty percent (50%) of participant contributions will be submitted to COUNTY.
2. CONTRACTOR will deposit all recipients' contributions in a bank account maintained for the Nutrition Program. All deposits, withdrawals, and balances for the Nutrition Program bank account must be separately identified. COUNTY has the right to review the Nutrition Program bank account for audit purposes. Recipients' contributions will be collected, counted and recorded daily. Two persons will co-verify the count daily by their signature and date on a recipient contribution accounting record. Contributions are to be deposited daily if possible, but no less frequently than on a weekly basis. Contributions are to be kept in a secure locked box pending deposit into the Nutrition Program bank account.

E. Budget Modification by COUNTY

COUNTY reserves the right to compare actual expenditures against approved budgeted costs. If COUNTY determines that actual expenditures deviate from the budgeted expenditures, COUNTY reserves the right to modify the budget. Such modification may reduce the total compensation to CONTRACTOR.

F. Advance Payments

1. Notwithstanding Section A above, COUNTY, at its discretion, may make advance payments under this contract to CONTRACTOR not to exceed 25% of the total contract amount and under conditions as COUNTY may specify. Such advance payments will in no way increase COUNTY's total payment under this contract.
2. Before a CONTRACTOR can receive an advance payment, a fidelity bond is required. The fidelity bond must be at least fifteen percent (15%) of the maximum financial obligation of the Contract. A *Certificate of Insurance* or *County Special Endorsement* is required from CONTRACTOR to show evidence of compliance before an advance will be made. *Certificate of Insurance* must name the County of Santa Clara Senior Nutrition Program as the certificate holder.
3. All other terms and conditions of this Contract, including quarterly and monthly reporting will continue to apply.
4. All advance payments require full repayment prior to the expiration of the Contract. Repayment plans of advances must be approved by the COUNTY prior to the disbursement of funds. Additional advances will not be granted until the current advancement has been paid in full. The advanced amount must be repaid by either:
 - a. Deducting an agreed upon monthly amount from the outstanding balance of the Contract until the repayment obligation is fulfilled, or;
 - b. Deducting the advanced amount in a lump sum from the remaining Contract balance.

G. Adjustment of Budget Items

CONTRACTOR may request in writing adjustments to the budget, Attachment C, Budget Summary, within the following budget categories:

1. Personnel
2. Operation Costs
3. Variance Categories
4. Food Costs

Prior written approval by COUNTY is required for budget adjustments of five hundred dollars (\$500.00) or greater, and any proposed adjustments to shift funds from one budget category to another.

COUNTY, at its discretion, reserves the right to review and disallow any budget adjustment by CONTRACTOR that deviates from the budget as detailed in Attachment C, Budget Summary. No adjustments will increase the maximum financial obligation of this contract.

H. Adjustments to Maximum Contract Amount

Compensation to a CONTRACTOR for the provision of services may be adjusted during the contract term when compelling circumstances exist that warrant an increase or decrease in the contract ceiling by written contract amendment to this Contract as allowed in Article II. Any of the following may provide a basis for proposing monetary adjustments in a contract:

1. An unanticipated reduction of augmentation of funding;
2. The level of CONTRACTOR services exceeds original projections to the extent the original contract award is insufficient to compensate CONTRACTOR for services provided;
3. Governmental requirements have changed, causing additional costs to CONTRACTOR.
4. A reallocation of funds from one contractor to another will result in an improved ability to provide desired service levels.
5. Unforeseen and uncontrollable costs increases jeopardized the ability of the contractor to continue to provide needed services.

I. Financial Records

1. CONTRACTOR will establish and maintain a system of financial controls and accounting in conformance with generally accepted principles of accounting.
2. CONTRACTOR must maintain accurate and complete financial records of all costs and operating expenses in connection with this contract including but not limited to subcontracts, invoices, time cards, cash receipts, vouchers, canceled checks, bank statements and other official documentation indicating in proper detail the nature and propriety of all costs incurred, and reimbursed by COUNTY.
3. The financial records must show that funds received under this contract are used for purposes consistent with the terms of this contract.

J. Medical Insurance

CONTRACTOR will be afforded an allowance as specified in Attachment C "Budget," for the purchase of medical insurance for its employees provided that all of the

following conditions are satisfied:

1. CONTRACTOR's employees must work a minimum of four hours daily rendering services described hereunder in order to qualify for the allowance herein;
2. Based upon the number of days of operation during the term of this contract, COUNTY determines at its sole discretion, that CONTRACTOR is running a "full-time" aggregate meal site program.

CONTRACTOR may opt to join or continue COUNTY's Kaiser Plan upon execution of this Contract. If CONTRACTOR chooses the Kaiser Plan, CONTRACTOR agrees to provide all information required by COUNTY and/or Kaiser to address any medical insurance related issues. Prior to the tenth working day of each month, CONTRACTOR will inform the COUNTY in writing of any changes in medical insurance coverage effective the following month for CONTRACTOR eligible employees.

K. Compliance with changes in laws and policies

CONTRACTOR must comply with all subsequent amended or added statutes, regulations, policies, procedures and instructions, plans, or other requirements of the federal, State and COUNTY.

\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\

**ATTACHMENT B
PROGRAM PLAN AND REQUIREMENTS**

A. Eligible Individuals

Persons who are eligible for meals and services under this contract are those persons who are 60 years of age or older or who are spouses of persons who are 60 years of age or older. Meals may be made available to handicapped or disabled individuals who have not attained 60 years of age but who reside in housing facilities occupied primarily by the elderly at which congregate nutrition services are provided, or individuals with disabilities who reside at home with and accompany older individuals who are eligible for services. Priority will be given to those older persons in greatest economic or greatest social need as defined by the Older Americans Act of 1965 as amended.

B. Meals

1. Meals served by CONTRACTOR must provide at least one-third of the current recommended dietary allowance specified by the Food and Nutrition Board of the National Academy of Sciences - National Research Council.
2. Menus will be planned by CONTRACTOR in cycles, the minimum period being four weeks. Such menus must be planned in accordance with COUNTY's requirements. Such menus will be submitted to COUNTY three weeks prior to initial use. Menus will be posted in a conspicuous location at the meal site at least one week in advance of use.
3. Table settings will be of reasonable quality. If disposable dinnerware is used, it will be of sturdy quality.

C. Congregate Meal Sites

1. CONTRACTOR will provide congregate meals at the following meal site: 540 South Abel Street, Milpitas, CA 95035.
2. Any addition, reduction, or change must be communicated to COUNTY prior to change. If a new site is opened, CONTRACTOR will provide sufficient advance notification to COUNTY to allow for prior inspection and approval by Nutrition Staff.
3. The site must have adequate lighting and ventilation and must meet all applicable health, fire, safety and sanitation regulations. CONTRACTOR must obtain current certificates from appropriate public officials indicating the site is in compliance with health and fire regulations.
4. CONTRACTOR ensures that a pleasant dining atmosphere is maintained and that there is adequate space for the equipment of participants, such as canes, crutches and wheelchairs.
5. There will be no architectural barriers which would prevent an eligible individual from having access to the meal site facility.

D. Number of Meals

1. CONTRACTOR will provide the average of 70 hot meals per day, 249 days per year. If demand by eligible individuals in the first six months of this contract does not require CONTRACTOR to provide the average number of meals per day as described above, If demand by eligible individuals in the first six months of this contract does not require CONTRACTOR to provide the average number of meals per day as described above, COUNTY may terminate this contract. Prior to termination, COUNTY and CONTRACTOR may attempt to renegotiate this contract in order to allow CONTRACTOR to reduce the average number of meals to be provided per day. If CONTRACTOR provides additional meals and such additional meals will cause CONTRACTOR to exceed the total contract amount specified on page (1) of this contract, such additional costs will be the sole expense of CONTRACTOR, unless the parties agree to and execute a modification of this contract, as allowed hereunder.
2. The average number of meals which CONTRACTOR has agreed herein to provide per day will be provided 5 days per week during the term of the contract unless otherwise specified in Section D1 of this Attachment and except for holidays to be set forth on a holiday plan submitted by CONTRACTOR.

E. Project Council

CONTRACTOR will ensure that an election is held to elect a participant to represent the site on the COUNTY-wide Project Council. It will be the responsibility of the Project Council to advise the COUNTY on policy matters relating to the delivery of the nutrition services throughout the COUNTY's program area.

F. Supportive Services

CONTRACTOR will provide supportive services, to the extent that such services are needed and are not already available from third parties and accessible to individuals participating in the Nutrition Program.

Support services may include:

1. Transportation of eligible individuals to and from congregate meal sites so that nutrition and other services will be accessible to those eligible individuals living within the program area who, because of lack of mobility or physical or mental handicap, would otherwise be unable to participate in the program;

2. Information and referral services designed to provide eligible individuals with current information of, and referral to, all appropriate services to meet their needs;
3. Health and welfare counseling services designed to assist program participants in dealing with the problems and stresses that interfere with normal health and social functioning. CONTRACTOR may provide such services through person-to-person assistance from trained counselors or referrals to appropriate resources;
4. Nutrition education through a formal program of regularly scheduled meetings to make available pertinent facts related to nutritional need;
5. Recreation activities designed to foster the health and social well-being of program participants through social interaction and satisfying use of free time;
6. Outreach activities to assure maximum participation of hard-to-reach and other eligible individuals.

G. Food Inventory

CONTRACTOR will develop a written plan for conducting food inventories. The plan will include the procedures for conducting food inventories, identify persons responsible for conducting the inventory, and set the schedule for completing the inventories. The plan will also include a description of the "First-In-First Out" food rotation system that will be used to ensure stored goods are rotated to prevent deterioration. CONTRACTOR will provide COUNTY with a copy of its food inventory plan and completed food inventories, upon request.

H. Data Collection

At intervals prescribed by COUNTY and, on forms provided by COUNTY, CONTRACTOR will collect program data and information relating to nutrition health screening, registered site participants, meals, use of services and program contributions. CONTRACTOR will also be required to collect program data through the use of electronic data collection methods. Such methods may include the use of computers, scanners or other electronic means. CONTRACTOR must comply with data collection requirements as directed by the COUNTY. Unless otherwise specified, COUNTY will provide CONTRACTOR the equipment needed to collect data by electronic means. COUNTY will be considered legal owner of all equipment provided to CONTRACTOR for this purpose. Such equipment is considered Non-Expendable property as described in Section K of this attachment.

I. Contribution Principles

1. CONTRACTOR will provide meals to eligible individuals regardless of their ability to pay for all or part of their meals. Recipients are requested to make a financial contribution to

offset the cost of the meals. Suggested contribution for congregate meals is \$2.00 per meal in FY 03-04. Suggested contribution for home-delivered meals is \$1.80 per meal. CONTRACTOR will not disclose records of the amount of contribution received or the name of contributor to third parties without written permission of the contributor. COUNTY has the right to review CONTRACTOR'S contribution records for audit purposes. Payment of the suggested contribution is not a condition for the receipt of meals.

2. CONTRACTOR will submit participant contributions on a monthly basis to be included with the monthly expense claims. Fifty percent (50%) of such contributions are to be paid to COUNTY as specified in Attachment A, Section C.

J. Purchases

COUNTY may require CONTRACTOR, by written notice, to obtain approval of COUNTY for all purchases of food and materials. Approval will not be withheld by COUNTY except for good cause.

K. Non-Expendable Property

Any acquisition by CONTRACTOR of non-expendable property with a retail purchase price in excess of \$500.00 that is required by CONTRACTOR for performance of this contract must require prior written approval of COUNTY. COUNTY will be the legal owner of all equipment that is purchased with COUNTY funds. COUNTY may take possession of its equipment if it is not being used primarily for program purposes and will determine disposition of that equipment upon expiration or termination of this contract.

L. Competitive Bid Requirements

All subcontracts entered into by the CONTRACTOR for capital equipment purchase exceeding the amount of Five Hundred Dollars (\$500) will be only by competitive bids in compliance with Council on Aging bidding procedures except when services or materials can be obtained only from a single source. Any procurement exceeding Ten Thousand Dollars (\$10,000) will also comply with the requirements of Office of Management and Budget Circular A-102.

1. Prior to entering into any such subcontract which has a value of Five Hundred Dollars (\$500) or more, the CONTRACTOR will submit to the COUNTY evidence that it has received a minimum of three (3) bids for such subcontract and justification for selection of

the successful bidder or documentation to support the use of the sole supplier. Records will be maintained by the CONTRACTOR showing the parties solicited and the bids submitted.

M. Overtime Work

Overtime work expenditures that are incurred by the CONTRACTOR will not be paid by reducing services or meals under this contract.

N. Restriction of Disclosures

Any reports, analysis, studies, drawings, information or data generated as a result of this contract are to be provided to COUNTY prior to public dissemination.

\\\\\\\\\\\\\\\\\\\\

ATTACHMENT C

Page 1 of 4

Santa Clara County- Social Services Agency
Senior Nutrition Program
MILPITAS
Budget - FY 03-04

Number of Meals	70	249	17,430
	Daily	Days/Year	Annual

Service Days M-F

1. PERSONNEL \$ 50,940

a. <u>Site Manager</u>	<u>\$</u>	<u>25,305</u>
b. <u>Kitchen Aide</u>	<u>\$</u>	<u>13,088</u>
c. <u>Janitor</u>	<u>\$</u>	<u>5,019</u>
d. <u>Van Driver</u>	<u>\$</u>	<u>7,528</u>

2. OPERATION COSTS \$ 8,062

Overhead @ \$.14 meal \$ 2,440

Site Transportation \$ 5,622

3. VARIANCE CATEGORIES \$ 4,960

Insurance/Worker Comp. \$ 503

Fiscal

Staff Mileage \$ 50

Equipment & Repair \$ 50

Non-Food Items @ \$.25 meal \$ 4,358

4. FOOD COSTS \$ 61,877

Bateman Catered	<u>\$ 3.55</u>	<u>*</u>	<u>17,430</u>
	Food Cost		Annual Meals

5. TOTAL BUDGET \$ 125,838

6. CONTRACT AMOUNT \$ 125,838

Santa Clara County- Social Services Agency
Senior Nutrition Program
MILPITAS
Budget - FY 03-04

PERSONNEL									
MILPITAS	# of hrs.	#of days	Salary/hr.	Salary	Fringe	Vacation	Sick Leave	Medical	Total Costs
a. Site Manager	6.00	260	12.05	18,797	2,068	817	980	2,643	\$ 25,305
b. Kitchen Aide	4.00	260	8.33	8,663	953	377	452	2,643	\$ 13,088
c. Janitor	2.00	249	8.33	4,148	456	188	226		\$ 5,019
d. Van Driver	3.00	249	8.33	6,223	684	282	339		\$ 7,528
Total Personnel Costs									\$ 50,940
FORMULA:									
Salary	# of Hours X (# of days + 11 holidays) X Rate per hr.								
Fringe Benefits	11% of Salary								
Vacation	# of Hours X10 X Rate per hr. X 1.13								
Sick Leave	# of Hours X12 X Rate per hr. X 1.13								

\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\

CONTRACTOR understands and agrees that this Contract is a **cost-reimbursement** contract. All references to "you" in this Attachment refer to CONTRACTOR.

You can only be reimbursed for expenses paid out in a report month. The Line Item allocations represent the **maximum annual amount** available for your budget. **Once the contracted line item allocations balances have been used, you cannot continue to claim a current monthly expenditure reimbursement for these items.** You may want to note on the bottom of the monthly expenditure report if you have a continuing expense over and above a zero balance line item or you may want to keep a separate record of your actual expenditures. This may help if you request a line item transfer or may help justify a change in your budget during the annual budget preparation meetings. Please see **LINE ITEM CHANGES** (See Below)** for more information.

These Line Item Definitions are part of the contract standards that were recommended by the Nutrition Contract Standards Committee and approved by the Board of Supervisors on March 10, 1998. Please refer accounting questions to SNP Accounting Staff and budget questions to the SNP Management Analyst.

1. PERSONNEL - Salaries and personnel expenses paid out during the report month should be claimed for all Nutrition employees that work and are authorized by your contract. Employee positions not filled cannot be claimed. Changes in personnel or circumstances that require a substitute should be reported to your assigned Dietitian **prior to filling the position**, explaining the reason for the change. Please indicate if this is a permanent or temporary change.

2. OPERATION COSTS

Usage Costs - This allowance is for rent or lease costs incurred and paid by your agency. ***You are reimbursed for rent or lease payments allocated to the Nutrition Program at the current per meal rate (\$0.40 FY 03-04) for monthly meals served up to your budgeted allocation.*** If you share building or housing costs with other programs you must be able to verify and document how you pro-rate the amount charged to the Nutrition Program. Some sites do not pay rent or lease and are not budgeted for this line item.

Overhead - This category is an allowance for utilities (heating/electricity, telephone, janitorial services, and office supplies, printing, water softener or pest control) needed to support your nutrition site, incurred and paid by your agency. ***You are reimbursed at the current per meal overhead rate (\$0.14 FY 03-04) for monthly meals served up to your budgeted allocation.*** If the costs are shared with other programs, you must be able to verify how you pro-rate the amount charged to the Nutrition Program.

Site Transportation - Most sites use the **Outreach Transportation** line item (See next line item). Some sites transport seniors to and from the nutrition program with their own van, bus or car. You can only claim for expenses paid out in the report month. A daily transportation log of who is picked up and returned, and mileage claimed must be available for verification. -

Private transportation by persons in their own vehicles are not reimbursable unless all automobile insurance requirements, including assigning the County and the Sponsoring Agency as "other insured" on the driver's certificate of insurance are met. In some cases, a commercial driver's license is also necessary for the driver of an agency's bus, van or car.

Outreach Transportation - This allowance is negotiated with the contractor to transport seniors who are eligible to receive Outreach Transportation Services. Unless your agency is contracting directly for Outreach Transportation Services, this amount is entered into your budget and is part of the County Nutrition Outreach Contract that pools all Outreach allowances. **You do not deduct for this line item if you are part of the County Outreach Pool.** The amount is deducted from your budget in **Line Item 6. "Other Deductible" (See Below)**. You will receive a copy of the Outreach expenses that are deducted from your portion of the pool each month for rides to and from your site and is paid directly by the County each month. Only senior nutrition participants are able to have their rides reimbursed.

3. VARIANCE CATEGORIES

Insurance/Worker's Compensation - This is an allowance for insurance or worker's compensation insurance payments that are actually paid out in the report month. You are only reimbursed for actual payments made. If your agency pays for other programs, only the pro-rated amount paid for the Nutrition Program Employees is allowable as an expense.

Fiscal - This allowance is for bookkeeping, accounting and payment for the annual audit. If you share bookkeeping and accounting expenses with other non- nutrition programs, only the portion allocated and paid out for the nutrition program is allowable for reimbursement. You must document and be able to verify how you pro-rate your expenses towards the Nutrition Program. Documentation of the expense and when the expense was incurred must be available to the County when requested.

Staff Mileage - This allowance is for nutrition employees who are required to attend Nutrition Staff Meetings or Trainings. Mileage to and from meetings is reimbursed at the County rate (\$0.365 per mile effective 01-03). The amount allocated is determined by your yearly usage.

Equipment and Repair - This allowance is for small equipment and repair expenses.

* The **Nutrition Equipment Committee** reviews requests for other equipment that exceed your budgeted amount. The amount of funds available through the Equipment Committee varies each year. Check with your Dietitian if you wish to submit a request.

Non-Food Items - This allowance will cover the cost of paper products, utensils, serving dishes, cleaning supplies and laundry.

4. FOOD COSTS - This is the allowance for food expenses. Based on whether you are a cook-on-site or a catered meal site, you may claim for raw food costs, restaurant catered meals or vendor catered meals. Some sites will have a combination of raw and catered food expenses.

5. TOTAL BUDGET - This is the total program budget amount before any deductibles.

6. OTHER DEDUCTIBLE - This line item will show items (if any) that are deducted from the budget. This may include the following items, but will not apply to all budgets:

County Outreach Transportation
County Kaiser
Contractor Contribution Amount

City Grants or Contributions
Community Development Block Grants (CDBG)
Other Income Contributions

7. CONTRACT AMOUNT - Final contracted budget for the site.

**** LINE ITEM CHANGES** - May be requested in writing by CONTRACTOR'S Agency Representative. Submit line item requests during the year when you first become aware of a need to transfer funds between line items. Do not assume that line item transfers will be authorized. Final line item transfer requests for fiscal year ending June 30 are to be submitted no later than the first Friday of June. The SNP Program Manager and the Nutrition Services Manager will review these requests for approval or disapproval.

Any line item request must have funds available in your budget and be accompanied by an explanation of the reason for the request. Additional verification may be requested. The SNP Program Manager has final approval or disapproval authority for any line item change request.